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OF COUNSEL
WILLIAM G. CONLY

December 19, 2006

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Hosston (Travis Peak) Zone; Cotton Valley "C" Zone,
Reservoir A; Cotton Valley "D" Zone; and Lower
Cotton Valley Formation, Reservoir A; SLIGO
FIELD, Bossier Parish, Louisiana.

Dear Sir:

CHESAPEAKE OPERATING, INC. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston (Travis Peak) Zone; the Cotton Valley "C" Zone, Reservoir A; the Cotton Valley "D" Zone; and the Lower Cotton Valley Formation, Reservoir A; all in the Sligo Field, Bossier Parish, Louisiana.

1. To create two (2) additional drilling and production units for the exploration for and production of gas and condensate from the Hosston (Travis Peak) Zone, such units being shown on an attached plat and being designated HOSS TP SU56 and HOSS TP SU61.
2. To create three (3) additional drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley "C" Zone, Reservoir A, such units being shown on an attached plat and being designated CV C RA SUI through CV C RA SUK.
3. To create two (2) additional drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley "D" Zone, such units being shown on an attached plat and being designated CV D SUHH and CV D SUKK.
4. To create three (3) additional drilling and production units for the exploration for and production of gas and condensate from the Lower Cotton Valley Formation, Reservoir A, such units being shown on an attached plat and being designated LCV RA SUCC, LCV RA SUII and LCV RA SUJJ.
5. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed additional units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
6. To designate a unit operator of, and unit wells for, the proposed additional units as may be appropriate.
7. To permit Applicant to combine downhole production from the Hosston (Travis Peak) Zone; the Cotton Valley "C" Zone, Reservoir A; the Cotton Valley "D" Zone; and the Lower Cotton

Valley Formation, Reservoir A; or from any combination thereof, in any well drilled on the proposed units in which the interests in the units on which the well is located are identical.

8. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 8-B, effective September 1, 1956, as amended and supplemented, and all applicable Statewide Orders, to the proposed additional units for the Hosston (Travis Peak) Zone and the Cotton Valley "D" Zone.

9. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 8-C, effective September 1, 1958, as amended and supplemented, and all applicable Statewide Orders, to the proposed additional units for the Cotton Valley "C" Zone, Reservoir A.

10. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 8-K, effective October 16, 1990, as amended and supplemented, and all applicable Statewide Orders, to the proposed additional units for the Lower Cotton Valley Formation, Reservoir A.

11. To discuss such other matters as may be pertinent.

The Hosston (Travis Peak) Zone and the Cotton Valley "D" Zone in the Sligo Field, Bossier Parish, Louisiana, were defined in Office of Conservation Order No. 8-B, effective September 1, 1956.

The Cotton Valley "C" Zone, Reservoir A, in the Sligo Field, Bossier Parish, Louisiana, was defined in Office of Conservation Order No. 8-B-2, effective August 1, 1958.

The Lower Cotton Valley Formation, Reservoir A, in the Sligo Field, Bossier Parish, Louisiana, was defined in Office of Conservation Order No. 8-K, effective October 16, 1990.

Any pertinent data concerning this application will be available for inspection at the offices of Mr. Joe B. Adams, 9141 Interline Avenue, Suite 3A, Baton Rouge, Louisiana 70809. Any person wishing to inspect any such data should call Mr. Adams at (225) 929-6097 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

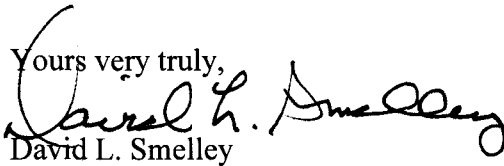
By letter dated December 7, 2006, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and set January 5, 2007, as the tentative date for the pre-application conference. No request for the conference was received within ten (10) days after the date of said letter; therefore, no pre-application conference will be held.

Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of each of the unit plats (which are identical to the plats attached to the pre-application notice) is enclosed herewith, and a copy of this letter and of each of the attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

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Applicant will provide for posting of a copy of the Legal Notice of this hearing, and the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Sligo Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,

David L. Smelley

-- Attorney for Chesapeake Operating, Inc.

DLS:dp
Enclosures

cc: Mr. Jim Broussard (w/encls.)
Mr. Les Rodman (w/encls.)
Mr. Joe Adams (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plats only)

